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SIPDIS

USDOC FOR 532/OEA/LHINES/DFARROW  
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM  
ZARIT  
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A  
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)  
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: HONG  
KONG AERO ENGINE SERVICES LIMITED

REF: A) USDOC 04150

1.Unauthorized disclosure of the information provided  
below is prohibited by Section 12C of the Export  
Administration Act.

¶2. As per reftel A request and at the direction of the  
Office of Enforcement Analysis (OEA) of the USDOC  
Bureau of Industry and Security (BIS), Export Control  
Officer Philip Ankel (ECO) and Export Enforcement  
Special Agent (SA) John McKenna conducted a post  
shipment verification (PSV) at Hong Kong Aero Engine  
Services Limited (HAESL), 70 Chun Choi Street, Tseung  
Kwan O Industrial Estate, Hong Kong. The items in  
question are pressure transducers (model APTE-4RB-1625)  
exported to HAESL on May 3, 2006 and valued at USD  
28,500. The ECCN listed on the SED is 2B230 and these  
items are controlled for nuclear nonproliferation and  
anti-terrorism reasons. The exporter is Transaero Inc.,  
80 Crossways Park Drive, Woodbury, N.Y. (Transaero).

¶3. The ECO and SA McKenna visited HAESL on August 17,  
2006 and met with Maggie Leung, Procurement Assistant  
for HAESL. Ms. Leung provided background on HAESL and  
its business, which includes aircraft engine overhaul  
services (more background can be found at  
[www.haosl.com](http://www.haosl.com)). HAESL is a joint venture between Rolls  
Royce, Hong Kong Aircraft Engineering Company and SIA  
Engineering Company.

¶4. Ms. Yeung provided extensive documentation showing  
that HAESL had received six pressure transducers (part  
# APTE-4RB-1625) and that these six transducers had all  
already been placed on recently overhauled aircraft  
engines, which are no longer at HAESL. As a result, SA  
McKenna and the ECO were not able to view the  
transducers at the facility. Note: The SED provided  
to the ECO in anticipation of the check references only  
three transducers. The remaining transducers were  
shipped on a different date than those referenced in  
the SED.

¶5. Ms. Leung stated that the only commodity that HAESL  
purchases from transaero are the pressure transducers  
that are the subject of this check. Ms. Leung further  
stated that Rolls Royce is also a manufacturer of these  
pressure transducers and that normally HAESL purchases  
the transducers from them.

¶6. Note: The ECCN cited by Transaero on the SED (2B230)  
would appear to require a license for export to Hong

Kong even though the item was shipped NLR (No License Required). The ECO recommends that an Outreach visit be conducted at Transaero to determine if Transaero is exporting its commodities in compliance with U.S. export regulations. The ECO also requests guidance on whether this item is controlled pursuant to NSG/Wassenaar control lists. If yes, the ECO may reach out to the Hong Kong authorities on this matter as import of multilaterally controlled items absent a Hong Kong import license could represent a violation of Hong Kong law.

17. At the time visited, HAESL appeared to be a suitable recipient of the commodities shipped since HAESL cooperated with the PSV and provided all requested documentation concerning the use and final disposition of the items. At the same time, the ECO and SA McKenna were not able to inspect the subject items as they had already been incorporated into aircraft engines and shipped from the facility. Consistent with guidance on reporting of PSVs where the items cannot be physically inspected, the ECO and SA McKenna recommend that this PSV be classified as Limited.

CUNNINGHAM